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ABSTRACT

Although midlife and older women comprise an increasing portion of the work force, gains in work force participation will not mean a decent living, security, or equal opportunity in the workplace of the future. Several factors influence the wage gap for older women: higher education does not mean higher earnings; women are less likely than men to have union representation; and wage-setting practices have depressed earnings. The work force is segregated by sex, with women, especially older and black, disproportionately concentrated in low wage jobs. Even within female-dominated occupations, men earn more than women and move up the career ladder faster than women. Segregation is not diminishing: comparatively few older women work as managers or professionals. Discrimination plays a significant role in limiting older women's choices and roles in the workplace. Past employment discrimination penalizes older women today. The consequences of workplace segregation result in poverty: older women settle for part-time employment involuntarily and they have fewer benefits. Increased work force participation by older women workers, coupled with the aging of the population, will exacerbate the caregiving responsibilities of midlife and older women. (Sources are listed in alphabetical order by author for each section in which they appear.) (NLA)

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OLDER WOMEN'S LEAGUE

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*1991 Mother's Day Report*

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# Paying for Prejudice:

## *A Report on Midlife and Older Women in America's Labor Force*

### Introduction

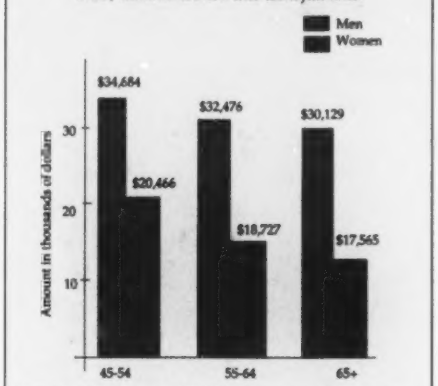
Although midlife and older women comprise an increasing portion of the work force, gains in work force participation will not necessarily mean a decent living or equal opportunity in the work place of the future.

It is not just young women who have been pouring into the paid work force in recent years. Midlife and older women are making vital contributions. Nearly 14 million American women age 45 and over hold paying jobs. By the year 2000, that number will grow to 22 million and approximately one in three employed women will be midlife or older.

Despite increasing participation in the labor force, women age 45 and over are paid significantly less than men the same age. The wage disparity increases with advancing age for several reasons. Comparatively few midlife and older women are represented by unions. Past wage-setting practices that permitted employers to pay different wages to men and women doing the same work are still evident in pay checks today. Hurt by the continuing decline in manufacturing, substantial numbers of older women are suffering job displacement and unemployment.

**Median Earnings at Midlife**

*1989, men and women who work full time.*




Source: Bureau of Labor Statistics, Unpublished Current Population Survey Data, March, 1990

Older women do not climb career ladders to supervisory positions with greater responsibilities and better pay nearly as often or as easily as men do, in part because outmoded stereotypes still prevail. These stereotypes pervade the popular media, reinforcing misperceptions and subtly encouraging employers to consign women to low-paying traditional "women's" jobs. Surveys show that employers perceive that older workers suffer from age-related liabilities. Unemployment indicators suggest that negative attitudes impede older women who seek to enter the work force.

But the primary cause of the wage gap is that midlife and older women suffer the ill effects of long term segregation into a limited number of jobs at the low end of the wage scale. Midlife and older women remain confined to the traditional and lower paying "women's" professions, working as secretaries, sales clerks, waitresses, nurses, teachers, or librarians. For older black women, the effect of job segregation into low-paying jobs is especially pronounced.

Despite some inroads into higher-paying professional jobs by a small segment of female



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"baby-boomers," younger women workers are nearly as segregated into traditional women's jobs as are older women workers. Although the wage gap between men and women under age 25 in 1989 was 88%, the continuing job segregation is a strong indicator that the wage gap will grow over the years for this generation of young women, just as it did for their mothers and grandmothers.

Although the demand for older workers is expected to increase, the future does not hold great promise for younger women who will have to earn a living wage later in life. Since most of today's young women can expect to do the same kind of low-paying work that their mothers did, they can expect to suffer the same kind of poverty in retirement. And because the very oldest segment of the population is growing, the caregiving responsibilities that still fall primarily to women will increase in the years ahead. Women lose more than wages when they cut back on paid work to meet family needs -- they lose crucial benefits like health insurance and pension equity.

The ultimate consequence of pervasive work place segregation and discrimination will be continuing poverty for midlife and older women. Unless women's occupations change, higher educational attainment and more time in the labor force today will not help younger women achieve economic security as older women tomorrow.

# A Message from Lou Glasse,

*President of the Older Women's League*

Happy Mother's Day! On May 12th, Americans will honor their mothers with candy and flowers. The recognition and trinkets that Mother's Day bring deny the reality for midlife and older women the other 364 days each year: To a disgraceful extent, America's midlife and older mothers still face discrimination, unrealistic and unflattering stereotypes, and unemployment, underemployment or poverty in old age.

You may have seen the full page advertisement for Sear's that appeared in the *TIME Magazine* special edition on women last fall. It showed a young women sitting in front of a computer. The caption reads: "The difference between me and my mother? She still thinks software is a nightgown." While that may be an offensive example of the negative portrayals of older women that pervade the popular media, it is far from the only example. Older women are notably absent from entertainment television, from magazine stories, and from advertising. When they are portrayed, the stereotypes prevail.

Stereotypes are not merely insulting or annoying. They are dangerous and destructive, creating a climate which permits midlife and older women to be discriminated against in the workplace, robbed of jobs, and , as a consequence, locked into poverty.

The influx of women into the labor force in recent years and the multitude of "first women" in high profile jobs have created a widespread perception that the nation is moving rapidly toward economic equity for women. That perception is wrong.

Job segregation remains pervasive. Nearly two in three employed women over age 45 work in low-paying jobs as sales, clerical, or service workers. Job segregation is almost as pervasive for younger women workers. As a result, the wage gap is still high and even today, it grows with advancing age. Caregiving responsibilities continue to cost women badly needed wages and benefits—and, because of demographic trends, those responsibilities are likely to grow in the years ahead.

Consequently, higher participation simply is not translating into high level jobs, better pay, more benefits or less poverty in old age for this nation's women. Until we significantly reduce the job segregation that is keeping employed women concentrated in low-paying dead end jobs, little will change.

Without a drastic decrease in job segregation and discrimination, token gains made by a small group of younger women today will not translate into economic security for the majority of folder women tomorrow. Without the realization by employers that older women make valuable and dependable employees, the prospects for advancement will remain poor. Without real efforts to portray midlife and older women realistically and to show the vital contributions they make to society, the grim statistics in this report will continue unabated for the next generations of women.

Congress must treat initiatives to alleviate these problems with greater urgency. Pay equity reform to eliminate wage discrimination is vitally important, as is economic equity legislation to increase access to education, apprenticeships, job training, and jobs. The Equal Employment Opportunity Commission must work vigorously to eradicate discrimination against older women. We need stronger protection against age, sex, and race discrimination under civil right laws.

Last year the Family and Medical Leave Act, which contains elder care provisions protecting women's jobs, fell victim to a Presidential veto that Congress could not override. That must not happen again. Women are further penalized with each year that passes without enactment of this crucial law. And our nation's pension system must be reformed so that it more adequately addresses women's employment patterns.

In sum, unless pervasive job segregation and sex and age discrimination are checked, the decades ahead will bring little improvement in wages or in the economic status of succeeding generations of midlife and older women.

Once again on Mother's Day, the Older Women's League is issuing a challenge to America's policymakers. Midlife and older women will continue to pour into the labor force, shattering the stereotypes and making the vital contributions society so badly needs. But midlife and older women must continue to pay for prejudice that prevails in our society—because the price is too high.

This holiday brings strong sentiment. We need to match that sentiment with strong policies that address job segregation and discrimination. Doing so would make the meaning of Mother's Day last all year long.

## Older Women and the Wage Gap

For the woman 45 and over, participating in the work force does not guarantee financial security. Major gaps in earnings between men and women throughout the lifespan still exist. Women's wages never match those paid to men. Women reach their highest earnings level at an earlier age and begin to suffer an earnings decline earlier than men. Once the decline begins, it is more drastic.

**From age 45 on, women are paid significantly less than men.** In 1989, the median earnings of midlife and older women who worked full time, year-round were less than two-thirds those of men. On average, women age 45 to 54 were paid $20,466, or 59% compared to the $34,684, on average, paid to men the same age. A woman age 55 to 64 earned $18,727, just 57.7% of the $32,476 average earnings for men the same age. And women over 64 earned $17,565, 58.3% of the wages paid to men the same age.

**Women's earnings peak at an earlier age than men's.** Both men and women start at a relatively low point on the earnings scale, and wages increase as they age. Men's median earnings climb steadily until they reach age 55, then begin to drop. Women also experience an increase in earnings from youth to early midlife. However, women's earnings peak when they reach



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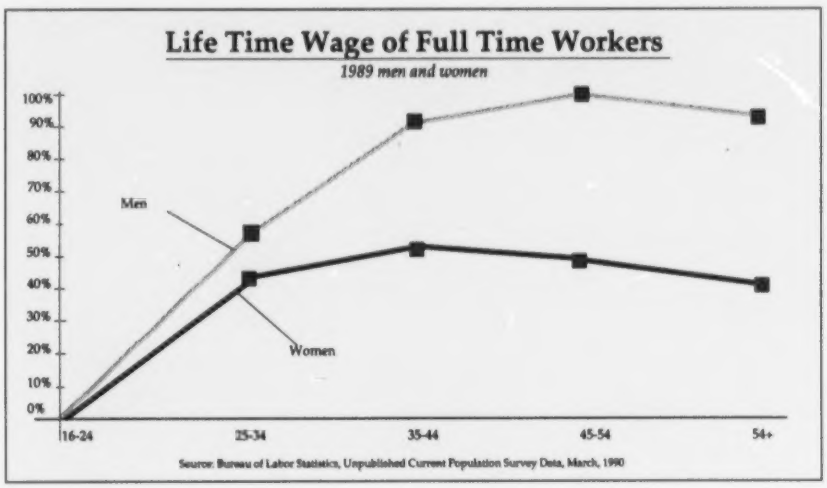
age 44 and begin declining at age 45.

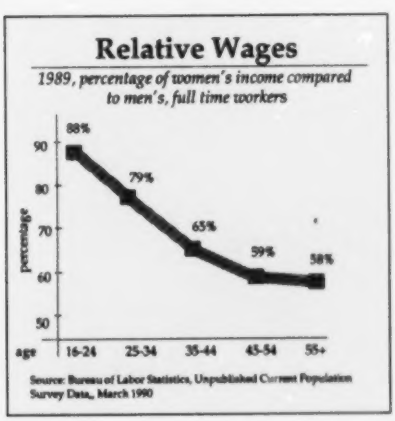
**Women's earnings increase less with age and decline more sharply than men's.** In 1989, the earnings of men age 25 - 34 were 62% higher than for men ten years younger; for women, the difference was only 44%. Men age 35 - 44 earned 30% more than men ten years younger; for women, the difference was only 8%.

When these workers reach midlife, the contrast becomes even starker. Men age 45 - 54 earn 8% more than their younger (age 35 - 44) cohorts, while women in the same age span actually earned *two percent less* than women ten years younger.

When men's earnings finally begin to fall at age 55, they decline less than for women of the same age (6% for men compared to 8% for women).

**Midlife and older women employed part time also are paid less than men.** The median earnings of year-round part time women workers age 45 - 54 are only 64% those of men. In 1989, men in the same age group working part time earned a median annual salary of $12,520, while women earned $8041. Men age 55 - 64 had median earnings of $8964, while women in the same group earned $6807, or 76% as much. For part time workers 65 and older, men earned $6997, while women earned $5355, or 77% of men's earnings.




## Causes of the Wage Gap

Midlife and older women have had very different lifetime work force experiences than midlife and older men. Some experts argue that the wage gap between them has resulted from women's more tenuous work force attachment and lack of interest in acquiring education and seeking job tenure. However, these factors explain a relatively small portion of the gap. Differences in union representation and historic wage-setting practices play a significant role in the lower earnings of midlife and older women.

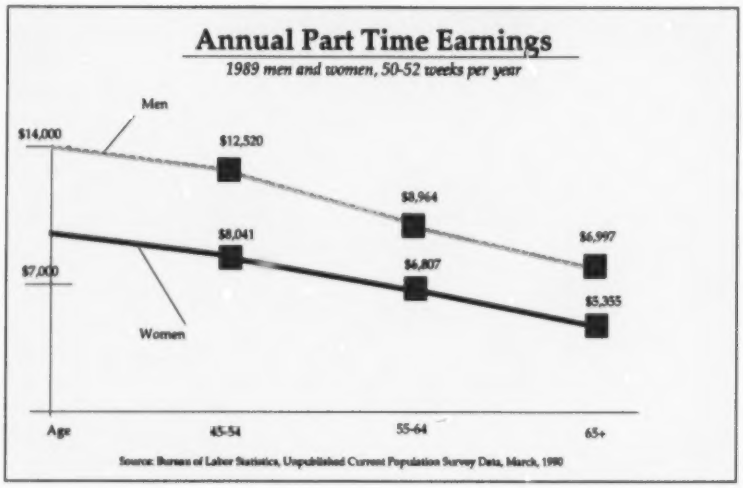
**Differences in education and work experience between older men and older women do not completely account for the wage gap** Several studies have shown that differences in education and time spent in the paid work force explain little of the wage gap. The leading study concludes that such differences rarely account for as much as a quarter -- and never more than half -- of the gap. Other studies attribute as little as 15% to these factors. Census data shows that even where men and women have equal education and job tenure, the gap persists.

**Higher education does not mean higher earnings for older women.** In 1989, college educated women age 45 to 64 earned only 92% as much as male high school graduates of the same age.

**Midlife and older women are less likely to have union representation than midlife and older men.** Workers represented

by unions tends to enjoy higher wages than those who are not. At every age, women are less likely to have union representation than men. Thirteen per cent of women workers age 25 - 34 belong to a union. This proportion is 19.2% for women ages 35 - 54, and declines to 10% at age 65. Black women are slightly more likely to be represented by unions (21%) than white (14%) or Hispanic women (14.2%). And more full time women workers have representation by unions than do part time workers (21% compared to 8.4%).

By contrast, 19% of male workers age 25 - 34 belong to a union. The representation level rises to 29.8% of all men by age 54. Thereafter, it declines, but not as dramatically as for women in the same age group.

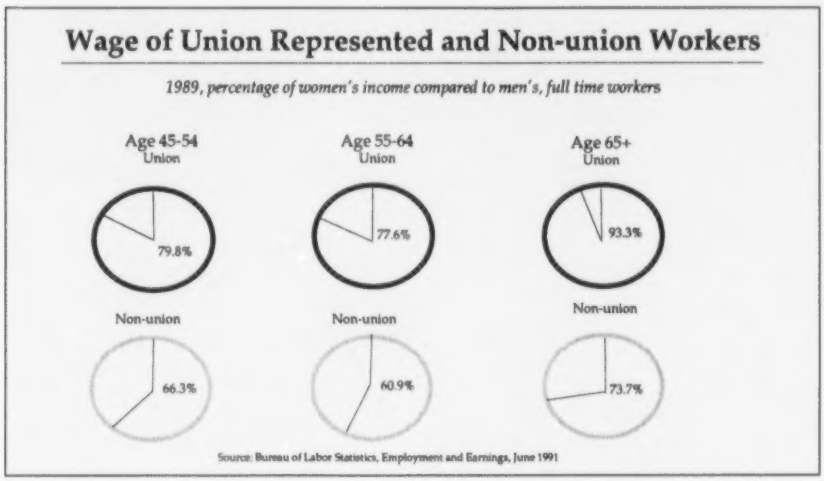



**Union representation can ease the wage gap between older women and men.** For midlife and older women, union representation diminishes the wage gap. In 1989, union-represented women age 45 - 54 were paid $474 per week, or 79.8% of the $594 paid to men. Women in the same age group who were not represented earned only $351 per week, or 66.3% of non-union men's wages. In the 55 -64 age group, union women earned $432 per week, or 77.6% of union men's wages, while non-union women were paid $324, or 60.9% of non-union men's wages. And union women over age 65 earned $474 per week, or 93.3% as much as union men, who were paid $508 per week, while non-union women earned $280, 73.7% of the $380 paid to non-union men.

**Union representation helps narrow the wage gap for women of color.** Union representation can mean better pay for women of color of all ages.. Although data is not available for midlife and older black women, existing data shows that black union women are paid 72% as much as white union men, while non-union black women are paid only 60% as much as non-union white men. Hispanic union women earn 66% as much as white union men, while non-union Hispanic women are paid only 56% as much as non-union white men.

**Past and present wage-setting practices have depressed older women's earnings.** Today's midlife and older women went to work at a time when employers were free to discriminate in pay between men and women doing the same work. Even now, 28 years after passage of the federal Equal Pay Act, the legacy of once legal wage discrimination is still apparent in wage scales.

Well into the 1980's, courts continued to find major employers guilty of paying women less than men for doing substantially the same work. In one case, a federal court found that a group of women college instructors earned an average of $1800 less than men with similar rank and job experience. In yet another court, a major insurance company settled a nationwide class action lawsuit after a court found that it assigned lower monthly guaranteed minimum earnings to women than to men. And yet another court held that women performing bookbinding work equal to that of male bookbinders were paid less and excluded from apprenticeship and training opportunities that would aid them in moving up a career ladder.




## Work Force Segregation: the Prime Culprit

The work force is still rigidly segregated by sex, with women disproportionately concentrated in low wage jobs. Today, most older women in the work force continue to perform jobs historically done by women. They work as secretaries, sales workers, bookkeepers and accounting clerks, and in professions such as schoolteaching and nursing. These jobs offer low pay and few opportunities for advancement. But even when they work side by side with men, the men earn more and can work their way up a career ladder more easily.

**Older women in particular are segregated into low-paying jobs.** More midlife and older women work in the sales, clerical, and service sectors than in other sectors of the economy. In 1990, 58% of all employed women over age 45 worked in these sectors. Of women over 55, 62.4% worked in these occupations.

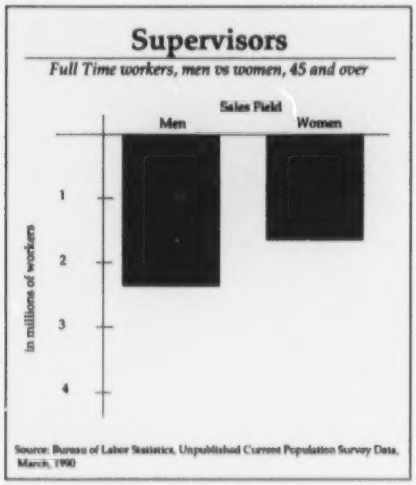
**Older black women experience especially pronounced job segregation.** For older black women, occupational segregation is a function of race, sex and age. Black women over the age of 55 are three times more likely than white women to work in service occupations, while nearly one-third of those over 65 work as private household workers. Although more younger black women are working in traditionally white female clerical occupations, only 13% of older black women work as clerical staff, compared to one-third of older white women.

**Even within female dominated occupations, men earn more than women.** In every heavily female occupation, men are paid more than women. In 1990, the median full time weekly wages of male sales supervisors and proprietors were 56% more than female sales supervisors' and proprietors' wages. The median weekly earnings of men in sales work were 72% more than women in sales work. Male administrative support workers, including supervisors, were paid 33% more than women in the same ocupations. Male service workers earned 39% more than female service workers.

**Within occupations dominated by women, men move up the career ladder, while women stay clustered at the bottom.** Formally or informally, men and women end up on different career tracks within these women-dominated occupations. Disproportionate numbers of men move up to supervisory and higher graded positions. In the sales field, midlife and older men are more likely to become supervisors than women the same age. For example, only 22% of all women sales workers over age 45 work as supervisors, compared to 37.6% of the men. In administrative support and clerical work, only 3% of women over 45 are supervisors, compared to 12% of men.

## But Segregation is Diminishing—Isn't It?

The primetime television image of the young woman lawyer or corporate manager conveys a powerful image that the current generation of young women will never experience the poverty that many women who are older live with today. And job expectations have indeed changed— for a privileged few. However, most of today's young women can expect to do the same low-paying work as their mothers and to suffer the same poverty in retirement.




**Comparatively few older women work as managers or professionals.** At first view, it appears that women are successfully integrating into managerial and professional occupations. Women's representation in these relatively high-paying occupations rose from 30% in 1980 to 40% in 1990. However, in that year, only 12.7% of women age 45 to 54 worked as executives, administrators, or managers.

In fact, women have barely entered the corporate boardroom. Over the past ten years, the number of women at the senior management level of the country's major corporations has increased by less than two percent. White men still continue to hold 95% of all top management positions.

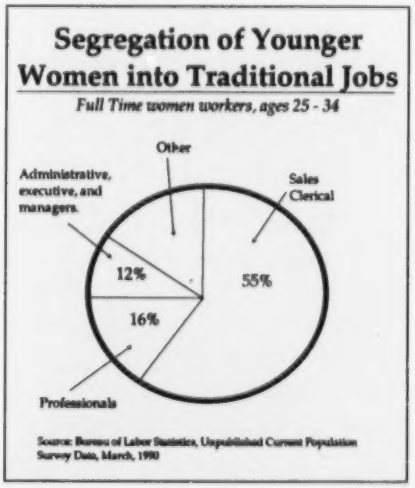
**The increase in women managers and professionals results primarily from growth within the traditional women's occupations.** The professional management gains made by women have been concentrated in occupations that already have substantial female representation: medicine and health assessment, personnel, and education. Growth in the number of jobs in the traditionally female professions of nursing and teaching account for much of the increase. From 1978 to 1989, 27% of women's net gain in professional jobs was in health assessment and treatment occupations, where women constitute over 80% of all workers. New registered nurses, the majority of whom are women, accounted for well over half of the net growth in this category. During the same period, 35% of all new female professionals began working as teachers (other than in higher education), psychologists, or social workers -- occupations that are almost 70% female. Thus, increased numbers of women managers and professionals during this time did not mean that women's opportunities had broadened in general.

**Younger women are as segregated into traditional women's jobs as older women.** Younger women's work patterns reflect those of older women to a significant degree. In 1990, 55% of 25 - 34 year olds worked in sales, clerical, and service jobs, the same proportion of midlife women who hold sales, clerical, and service jobs. Only 16% of both groups held professional jobs, while an even smaller number (12%) worked as administrators, executives, or managers.

**Women in the "baby boom" generation have made some gains, but these are not filtering down to the next generation of women.** Women in the age 35 - 44 age group have made some inroads into professional and administrative occupations and out of low-paying sales, service, and clerical jobs. However, these gains are not substantial. In 1990, 52% worked in the service sector; 19.3% as professionals; and 13.1% as managers and administrators. And the next generation of women is not benefitting from these gains.

## Stereotyping and Discrimination

Discrimination has played—and still plays—a significant role in limiting older women's choices and roles in the work place and other arenas. In the past and today, employers and society at large have shared and acted upon stereotyped views of women's capabilities which operate to define and constrict opportunities throughout their lives. In a society that measures and defines



women according to youthfulness, physical attractiveness, and sensuality, older women become almost invisible. Even today, older women are not seen often enough for who and what they are. Rather, they are subject to often contradictory societal stereotypes or else they are simply invisible.

**Television ignores older women.** Surveys show that older women are notably absent from the popular media. A 1982 survey of television programs watched most frequently by children in America and Japan revealed that on American programs, men age 40-59 outnumbered women in the same age group by four to one. Men over 60 outnumbered women over 60 by 20 to one. Another found the majority of women who appeared in primetime were in their twenties and thirties, and male characters in their forties outnumbered women in their forties two to one. Even fewer older women of color appeared. Older black women made occasional appearances on programs featuring black families, but Hispanic and Asian women had no roles at all.

Older women rarely appear as newsbroadcasters. Female reporters and broadcasters have reason to worry that they will be considered "too old" at forty. Those who manage to stay in these jobs past this age often must devote extra time, energy, and money to "looking good." There have been highly publicized cases where women broadcasters have sued television stations for discrimination.

**Older women rarely appear in print.** Analyses of advertising in three magazines, including a woman's magazine, *Good Housekeeping*, between 1967 and 1977, revealed that of the nearly 3500 advertisements reviewed, only 30 depicted women over age 55. The number of depictions did not increase over time.

Magazine articles, including those geared to women, focus primarily on issues of concern to younger women. If an article does feature an older woman, the focus is usually on how a younger woman "copes" with her.

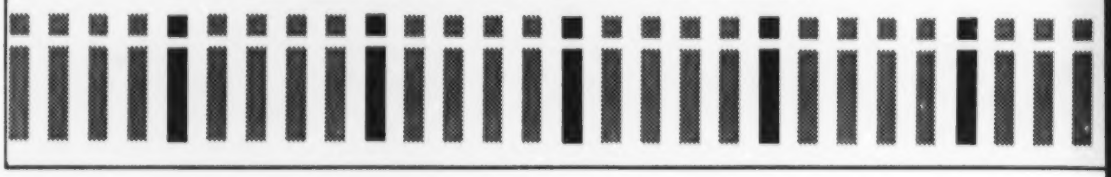
**Pictures of older women are retouched.** Similarly, magazines frequently retouch photographs of older women or use young models as stand-ins. The art director of *Travel and Leisure* acknowledged, "No picture of a woman goes unretouched. Even a well-known elderly woman who is proud of being 60 or 70 and who doesn't want to be retouched.. we still persist in trying to make her look like she's in her fifties...It wouldn't occur to anyone to do that to a man."

When older women appear, they appear as stereotypes. When the media does feature older women, it frequently uses highly stereotyped portrayals distorting the real lives that most older women lead.

Older women who appear in print advertising often are depicted as out of touch and not especially competent. Ads draw contrasts between mothers and daughters, suggesting that the older woman lacks alertness or awareness. For example, one recent ad showed a young woman seated at a computer terminal, saying, "The difference between my mother and me? She still thinks software is a nightgown."

With a few notable exceptions, primetime television still portrays older women stereotypically. One study found that older men manifested more positive cognitive behaviors than older women, and that men responded more favorably to other older men than to older women. These differences coincide with a societal stereotype of older men as strong, involved, and dominant, and older women as weak and incapable.

**Television Depiction of men and women**



For most of the past fifteen years, primetime has depicted older women as extremes: they were either nurturing grandmothers; rich and ruthless empire builders, or affable but daffy comic characters. A survey of characters appearing on 80 entertainment series during the spring of 1990 showed that few of the older women characters led lives even remotely resembling those of most older women in this society: none were poor; none were Hispanic or Asian; few were black.

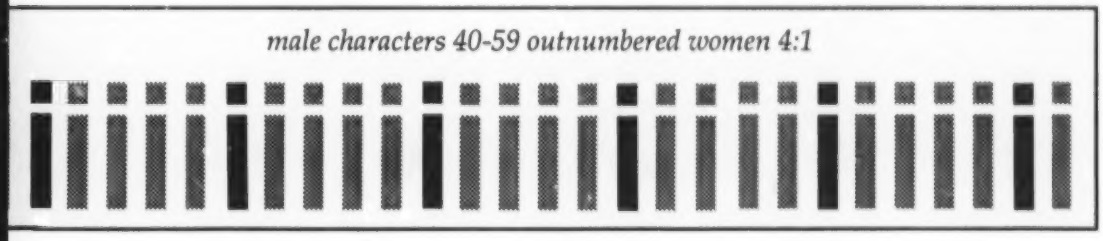
**Pervasive stereotypes affect more than employment.** Older women routinely report that the health care system accords them little respect, treating them like "non-persons." One study found that 65% of physicians studied thought women's complaints are influenced by emotional factors; 25% considered women more likely than men to make excessive demands; and 21% felt that women's complaints were psychosomatic more often than men's. Women are also less likely to receive diagnostic tests and procedures; for example, although both women and men suffer heart disease, men receive cardiograms more often than women (41% of the men compared to 27% of women).

Medical research has also ignored or understated the real health problems of older women. Breast cancer, which affects one in ten women and is the leading cause of cancer death for women, receives only 4% of cancer research funding. Research into aging and diseases affecting both men and women focuses on men, even where women suffer equally egregious symptoms. For example, until the last decade, the Baltimore Longitudinal Study on Aging, initiated in 1958, did not include women, despite women's predominance in the elderly population. A recent study of stroke-related mortality reported results on men only, even though the researchers had collected information on women.

Practitioners have also ignored the chronic health problems that afflict older women in favor of the acute conditions that prevail among men. They have prescribed psychotropic drugs, including valium and librium, disproportionately to older women because of the perception that older women's health problems are not real but psychosomatic.

**Stereotyped notions of older women affect their "right - to - die."** In an analysis of cases involving discontinuation of life support systems for irreversibly comatose patients, including older women, researchers found that judges routinely treated women's stated preferences differently from men's. They considered men to be capable of making difficult but rational choices and found the men's statements to be rational and objective, while they viewed similar statements by women as emotional, unreflective, or immature.

## Past Employment Discrimination Penalizes Older Women Today




Combined age and sex bias still haunts older women in the work place. Surveys of employer attitudes, employment-related data unique to older women, and notorious instances of sex-based discrimination indicate that combined age and sex biases held by employers and others still conspire to deny equal opportunities to older women.

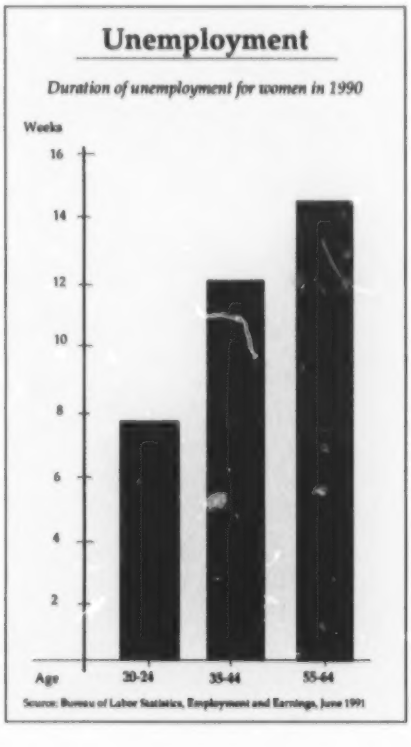
**Today's older women came of age at a time when the law operated to exclude them from many types of jobs.** State labor laws, in force from the 1870's to the 1970's, banned women from some occupations altogether and imposed burdensome restrictions

on their participation in others. The purpose of these restrictions was to protect women from doing work injurious to their "delicate" health. However, employers used these laws to rationalize other kinds of discrimination not related to women's health. For example, certain industries employing women and men barred women from working at night. These employers routinely paying men higher wages for working the night shift.

And until the U.S. Supreme Court issued its historic decision this year in *United Auto Workers* v. *Johnson Controls*, some lower courts permitted employers to bar all fertile women *under the age of 70* not only from jobs that might immediately expose them to hazardous substances, but also from jobs that might lead to a promotion into such a job.

**Employers still act on outmoded stereotypes of older workers.** Surveys of employer attitudes demonstrate that employers believe that older workers suffer from age-related liabilities that make them less than ideal employees. Many of them view older workers as slower; wedded to the past; inflexible; and unwilling to learn new technologies. In a study of 1500 subscribers to the *Harvard Business Review*, employers have responded less favorably to situations involving older workers than to those involving younger ones.

**The real pictures belies the sterotypes.** Older workers, including older women, tend to use less sick leave than younger workers. According to the National Center for Health Statistics, persons age 45 and over took only 2.6 sick days per year, while workers age 18-44 took 3.3 days. Older workers, male and female, assess their own health as fair to good, and few experience chronic or disabling conditions that interfere with job performance or require employers to make accomodations. A 1984 study found that persons age 55 and above had only 9.7% of work place injuries although they composed 13.6% of the work force. And in one 1989 survey, a majority of companies perceived that providing health insurance coverage to a 55-year old woman costs no more than insuring a 55-year old man or a 30-year old woman or man with dependents.



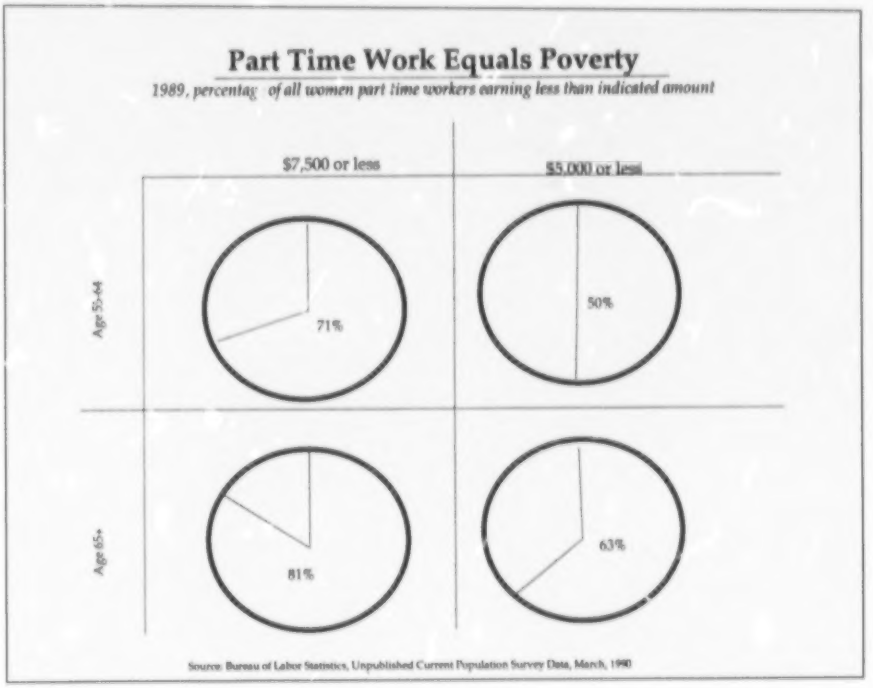

Another 1989 survey found that 35% of older workers, including older women, stated they wanted training to update current job skills, while 42% said they would like training to get a better job, and 10% said they would like training not related to their current jobs. Only 9% said they wanted no training at all.

**Recession and unemployment harm older women in particular.** Across the board, average duration and the median duration of unemployment climb steadily with advancing age. In 1990, the average duration of unemployment for women 20 to 24 years old was 7.7 weeks; for women 35 to 44, 12 weeks; and for women 55 to 64, 14.1 weeks.

Recession is likely only to exacerbate this difference, since, in the past, unemployment has grown faster among older workers than among younger people. At the height of the last recession, between January and October, 1982, unemployment grew 24% for all workers over 55, compared to 11% for workers age 16 to 24 and 16% for workers overall.

Recession and unemployment also harm older women because they receive less assistance than younger women in securing

reemployment and suffer greater wage reduction upon finding a new job. One study found that state employment agencies provided counseling to only 2.5% of unemployed older women, compared to 8% of younger women, and tested only 22% of older women, compared to 38% of those under 45 for training and job skills. It also found that when unemployed women found new jobs, the earnings of the reemployed younger women were 43% higher than those of the older women.


Part Time Work Equals Poverty
1989, percentage of all women part time workers earning less than indicated amount
$7,500 or less
$5,000 or less
Age 55-64
Age 65+
71%
50%
81%
63%
Source: Bureau of Labor Statistics, Unpublished Current Population Survey Data, March, 1990

## Consequences of Work Place Segregation and Discrimination

Older women's history of de facto segregation into low-paying jobs, exclusion from higher paying ones, and more blatant instances of discrimination have resulted in poverty.

**Obviously, older women concentrated in the lowest-paying sectors of the economy are poor.** In 1989, median annual earnings of all female clerical workers were just over $13,542. Female service and sales workers who worked full time had median incomes of $5487 and $6990, well below the 1989 poverty threshold for single individuals or families. Women over age 55 in service jobs were particularly hard hit: their median annual wages were $5322.

These figures translate into poverty for older women. In 1989, more than 30% of all poor women age 45 to 64 worked in paid employment; half work full time. Plainly, labor force experience is a prime reason for the staggering poverty rates of working women.

**Many older women must settle for part time employment.** During the 1980's, the number of contingent workers, including part time, temporary, and contract employees, grew rapidly. By 1988, 32 million contingent workers made up 25% of the work force. Currently, 44% of all employers use part time workers; 75% began the practice during the last decade. Part-time and temporary workers generally receive lower pay and fewer benefits than workers in comparable full time jobs.

Employers are also using more part time women workers. Almost 70% of all part time workers are women, most of whom work in sales, service, or clerical jobs. Nearly 40% of all women workers over 55 work part time, while 60% of those over 65 do.

**Part time work equals poverty.** In 1989, 71% of all female part time workers 55 to 64 earned less than $7,500 a year; half earned less than $5,000. 81% of all women 65 and over who worked part time earned less than $7500; 63% earned less than $5,000.

**Many older women who work part time do so involuntarily.** In recent years, employers have increased their part time and temporary work force to cut costs. Thus, many people who work part time do so involuntarily, because they cannot find better jobs. Today, one in seven women aged 55 to 64 who work part time have

settled for part time jobs in lieu of full time work.

**Older women have fewer employee benefits.** The sales, service, and clerical jobs held by most older women offer little in the way of important benefits. 55% of female administrative support and clerical workers have group health insurance, while only 30.1% of female sales workers are insured. For women service workers, the situation is worse: 24% of women service workers have coverage. And only 5% of private household workers are covered.

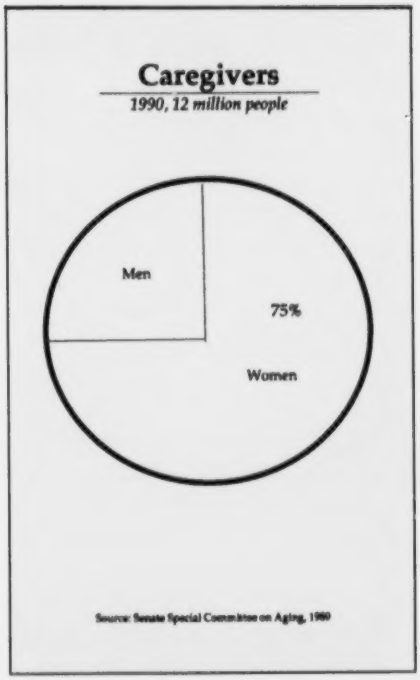
**For women working part time, health insurance is the exception.** Of part time women workers, only 15.1% of white women; 12.3% of black women, and 13.6% of Hispanic women participate in employer group health insurance plans.

**Women pay more for health insurance.** Employers in the service sector of the economy, where older women are concentrated, more often require employees to pay premiums or contribute toward health insurance costs than employers in other sectors of the economy. In 1988, 51% of the employees in service industries dominated by women must contribute to the cost of their health insurance, compared to 39% in the "goods-producing" industries. In the same year, 70% of service industries' employees contributed to family coverage.

In 1988, employees in the service sector were also required to pay an average of $23.72 per month for individual coverage, and $83.13 for family coverage. Given women's earnings, these costs are prohibitive.

## Into the Future

Discussions on the future of the work force tend to focus primarily on two trends: the anticipated need for more older workers as the population ages; and the increasing numbers of younger women entering the work force. At first glance, it appears that these two developments will ultimately relieve the acute poverty of older women, both during the years they spend in paid employment and during the years after they retire. Other trends, however, likely to continue until well into the next century, make clear that the economic situation of tomorrow's midlife and older women could be as tenuous as that of today's midlife and older woman.




**The continuing decline in manufacturing will hurt older women.** During the 1980's, manufacturing's share of the economy declined, while that of the service sector increased. This trend affects substantial numbers of older working women in the manufacturing sector—particularly the apparel and textile industry. Nearly 80% of apparel workers are women; their average age is 45; and a disproportionate number are black. One-third are single, widowed, divorced, or separated; two-thirds are the primary breadwinners for their families; and their earnings - $202 per week in 1989—fall several thousand dollars below the poverty level.

Women in the apparel industry experience some of the highest unemployment rates in the nation, often exceeding 10% Unlike displaced manufacturing workers in other industries, fewer have been able to find other jobs. Seventy per cent of all displaced manufacturing workers have found other jobs, while only half of apparel workers have done so. And another 30%, discouraged by their inability to find other work, have dropped out of the job market altogether.

**Increased work force participation will not lead to greater economic security for today's young women in years ahead.** The Department of Labor

has identified six occupations dominated by women as those most likely to experience large-scale growth by the year 2000. Wages in five of these occupations - sales work, waitressing, cashier, food worker, and nursing aide - remain at or below the poverty level. Already many older women, especially those over age 65, are clustered in these jobs, working part time for low pay and no benefits. The projected increase in the number of these jobs suggests that women's real earnings profile will deteriorate, rather than improve.

**More midlife and older women will be working.** Today, just under 40% of all workers are over age 40; by 2010, those over 40 will make up half the labor force. By 2030, the median age of the population will be 42; more than 20% of the population will be 65 or older. Fifty years later, persons over 65 will constitute nearly half the population.

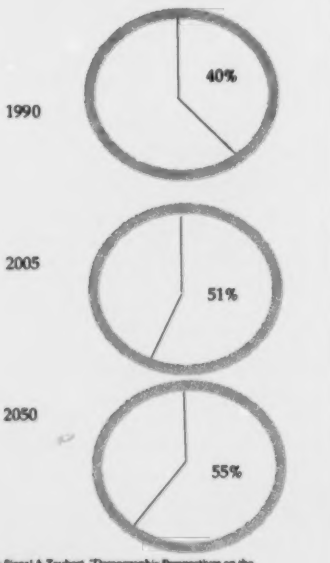
**Employers will maintain or expand their use of contingent workers, including older women.** During the last decade, the number of part time, temporary, and contract workers grew at a rate almost double that of the total labor force. Their number is expected to increase 82% by the year 2000. This is because most of the new jobs will be added in the service sector, where part-time employment is most likely to occur. It is also because the temporary help industry is likely to experience significant growth. Employers will likely to continue to demand the scheduling flexibility and lower labor costs associated with these workers.

Increased use of contingent workers means that older women will stay in low-paying work with few benefits such as health insurance, paid vacation, sick leave, or pension plans.

**As the oldest segment of the population grows, more older women will take on caregiving responsibilities.** Currently, just over 40% of the post age-65 population—those most likely to need care—is 75 or older; that percentage will rise to 51% by 2005 and to 55% by 2050. Between 1980 and 2030, the over age 85 share of the population will triple in size. By 2050, it will increase five fold.

**Aging of over 65 population**

*percent indicates those 75 or older*




Source: Siegal & Taubert, "Demographic Perspectives on the Long-lived Society," 1986

Increased work force participation by older women workers, coupled with the aging of the population, will exacerbate the caregiving responsibilities of midlife and older women. Today, researchers estimate that approximately 12 million people provide care to dependent elderly relatives. 75% of these caregivers are women; their average age is 57. Many of them work outside the home, and as many as 78% of them must make some type of work place adjustment—rearranging schedules, cutting hours, or quitting work altogether—to accommodate their caregiving duties.

These responsibilities promise only to increase in future. Because of the aging of the population, the proportion of frail elderly to persons of working age will increase. Thus, more midlife and older women will be forced to make accommodations to care for elderly parents and spouses, and more of them will therefore be poor.

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## Membership and Publication Information

This 1991 Mother's Day Report by the Older Women's League is the sixth in a series begun five years ago with OWL's Report on the *Status of Midlife and Older Women in America*. In 1987, *The Picture of Health* focused the spotlight on the health and health care problems women face as they age. In 1988, *The Road to Poverty* examined the economic problems that plagued women throughout life. The 1989 Mother's Day Report, *Failing America's Caregivers*, reported on the impact of caregiving responsibilities on family caregivers of the elderly and children. Last year, *Heading for Hardship* detailed the inherent inequities toward women within our nation's retirement income programs. This year, *Paying for Prejudice* explains the work place segregation and discrimination against midlife and older women.

Making these invisible problems visible was the primary goal of the Older Women's League when it was founded in 1980. OWL is a nonprofit, membership organization— the first national organization to focus solely on midlife and older women's concerns. It strives to achieve economic and social equity for midlife and older women, to improve their image and status, and to provide mutual support for its members. In just eleven years, OWL has become firmly established as a national voice for older women—a segment of the population that has long been unrepresented.

OWL was conceived by two California women, Tish Sommers and Laurie Shields, whose earlier work to eradicate the job inequities midlife and older women face helped to create the displaced homemakers movement. Although Sommers died in 1985 and Shields in 1989, their legacy continues in the more than 120 OWL chapters throughout the United States. Under their leadership, OWL formed a coalition called the Citzen's Council on Earnings Sharing to monitor legislative action and encourage future steps toward Social Security reform. OWL was also instrumental in passing significant pension reforms in 1984, 1986, and 1988 to help increase the number of women covered.

OWL's national agenda, set by its members, consists of educational and advocacy issues: Social Security reform, pension rights, job discrimination, access to health care, family caregivers, federal budget priorities, and staying in control to the end of life. Education takes many forms: consumer reports and pamphlets, the bimonthly OWL OBSERVER, testimony before legislatures, media outreach, the Gray Papers series, and conferences and leadership training. OWL's leaders come mostly from local chapters, whose members work on the national agenda, on state and local concerns, and on bringing women together for mutual support.

OWL's motto is "Don't agonize—organize!" You are invited to join OWL to show that you are willing to work toward brighter futures for all women.


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( ) *The Picture of Health for Midlife and Older Women* (1987)

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( ) *Women Take Care: Consequences of Caregiving in Today's Society, by Tish Sommers, Laurie Shields, and the OWL Task Force on Caregiving, 224 pp. Triad Publishing* (1987) ($9.95)

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( ) *Caring for Caregivers: Addressing the Needs of Long Term Care Workers* (1990)

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Yes! I want to make the future secure for all women. To help OWL achieve economic, political and social equity for midlife and older women, I am joining OWL with a gift of:

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Note: we will apply $15 of your gift for payment of your national OWL annual dues. Local OWL chapters assess and collect their own dues.

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